



Farm Credit Services of Hawaii, ACA
Federal Land Bank Association of Hawaii, FLCA
Hawaii Production Credit Association

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Honolulu, Hawaii 96820
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The Farm Credit System

May 21, 2014

Mr. Barry F. Mardock
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Mardock:

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic which should be carefully considered. The FCA's proposed rule, however, does far more harm than good and should be substantially revised.

As directors of Farm Credit Services of Hawaii, ACA, we find that the disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate and completely unrealistic. The proposed rule ignores our association's cooperative structure and the way we do business in our own ranching and farming operations. We routinely have business transactions with a wide variety of individuals, some of whom might be Farm Credit Services of Hawaii, ACA's customers. For the most part, we don't know whether someone we are doing business with is a Farm Credit Services of Hawaii, ACA customer. Even in instances where we know we are dealing with an association customer, there is no conflict of interest since directors at Farm Credit Services of Hawaii, ACA do not have any role in approving loans or the terms of loans.

Requiring directors to disclose any transaction with a customer, even when we know we are doing business with a customer, is not realistic. The number of transactions we have in the normal course of our businesses means that both Farm Credit Services of Hawaii, ACA and directors would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association.

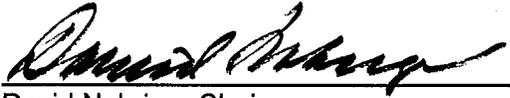
Purchasing feed, fencing, seeds or root stock, farm equipment, or treating sick livestock may involve transacting with a Farm Credit borrower or loan applicant. Having the Standards of Conduct official become involved in these routine transactions will not only slow down our operations but may discourage other ranchers, farmers, and suppliers to do business with us.

We urge the FCA to revise the proposed rule substantially prior to issuing a final rule. We would also like to offer our support for the comments submitted by other FCS associations, CoBank and the Farm Credit Council. Thank you for your consideration.

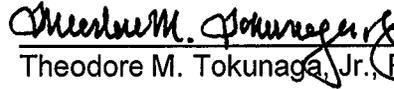
Sincerely,

Board of Directors
Farm Credit Services of Hawaii, ACA

Farm Credit Services of Hawaii, ACA Board of Directors:



David Nobriga, Chairman



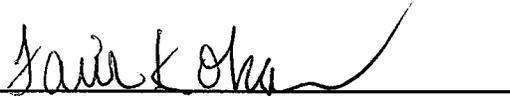
Theodore M. Tokunaga, Jr., President



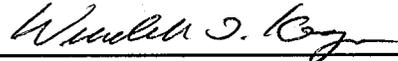
William C. Bergin, Director



Rodney M. Haraguchi, Director



Faith K. Okabe, Director



Wendell T. Koga, Director



Joseph M. Souki, Director